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SOURCE Ching-chi Chou-paoINTERNATIONAL TRADE SYNDICATES IN CHINA

[This report gives information from two issues of the Ching-chi Chou-pao (Economic Weekly) on duties of international trade syndicates in China and on the trade syndicates formed in Shanghai in 1950 - 1951.

Numbers in parentheses refer to appended sources.]

The National Import and Export Trade Conference of 1950 approved the formation of international trade syndicates in China for the purposes of utilizing manpower and capital increasing the efficiency of business operations, regulating commodity prices, and controlling the domestic and foreign trade market.

The advantages and duties of international trade syndicates in China are as follows:

## 1. Advantages

a. Concentration of capital: The syndicates are formed by pooling the companies' capital for the purpose of developing trade. While these companies are independent, they are guided by state-operated enterprises in their business operations.

b. Utilization of personnel: Within the syndicates, company personnel are given opportunities to work according to their interests and capabilities.

c. Guidance by state-operated enterprises: State-operated enterprises have a free hand in formulating trade policies and strengthening leadership in the syndicates.

## 2. Duties

a. High Production: For the past 10 or 15 years, production in China had been steadily declining. For example, China's tea production in 1936 was one million catties, as compared with only 200,000 catties in 1950. Similarly, feather production in 1946 amounted to 100,000 catties, as compared with less than 40,000 catties in 1950. Production must therefore be increased.

- 1 -

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- b. Stabilizing of prices: Under the guidance of state-operated enterprises, the syndicates are responsible for stabilizing the prices of goods.
- c. Promotion of sales: In order to promote sales, the syndicates are responsible for maintaining high standards in the quality of goods produced.
- d. Research and development: The syndicates are responsible for the continuous development of new techniques and for research into the problems of increasing industrial production, an adequate raw material supply, price fluctuations, transportation, and better utilization of equipment.
- e. Survey of international market situation: The syndicates are responsible for surveying the international market situation and noting the demand and supply of goods, rise and fall of prices, and competition of various products in the market.(1)

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In 1950 and 1951, the following trade syndicates were formed in Shanghai:

1. Shanghai Feather Purchasing Office (Shang-hai Yu-mao Lien-kou-ch'u)
2. East China Publicly and Privately Operated Peppermint Oil Purchasing Office (Hua-tung-ch'u Kung-ssu-ying Po-ho-yuan-yu Lien-kou-ch'u)
3. Shanghai Bristles Purchasing Office (Shang-hai Yuan-tsung Lien-kou-ch'u)
4. Shanghai Sausage Casings Purchasing Office (Shang-hai Ch'ang-i Lien-kou-ch'u)
5. Shanghai Tea Purchasing Office (Shang-hai Ch'a-yeh Yuan-ch'a Lien-kou-ch'u)
6. Shanghai Tea Industry Syndicates No 1 and 2, Limited (Shang-hai Ch'a-yeh-yeh Ti-i chi Ti-erh Lien-ying Yu-hsien Kung-ssu)
7. Resin, Oil, and Flax Purchasing and Sales Office, Shanghai International Trade Syndicate (Shang-hai Kuo-chi Mao-i-yeh Yu-chih Yu-liao Ma-lei Kuo-hsiao Lien-ying-ch'u)
8. Shanghai Tobacco Export Syndicate (Shang-hai Yen-yeh Ch'u-k'ou Lien-ying-ch'u)
9. Chemicals Purchasing office, Shanghai International Trade Syndicate (Shang-hai Kuo-chi Mao-i Hua-kung Yuan-liao Hsiao-tsu Ti-i I-huo Lien-ying-so)
10. Shanghai Metal Industry Syndicates No 1-4 (Shang-hai Wu-chin Shang-yeh Ti-i Chih Ti-ssu Lien-ying-ch'u)
11. Shanghai International Trade Syndicate No 1 (Shang-hai Kuo-chi Mao-i-yeh Ti-i Lien-ying Chi-t'uan)(2)

SOURCES

1. Shanghai, Ching-chi Chou-pao, Vol X, No 22, 1 Jun 50, pages 5-7
2. Ibid., Vol XIII, No 13, 27 Sep 51, pages 11-12

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- 2 -

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